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SUNGROW

ENVIRONMENTAL MANAGEMENT POLICY

Clean power for all

01 Environmental Management Policy

As a global clean energy enterprise, Sungrow Power Supply Co., Ltd. (hereinafter referred to as "Sungrow" or "the Company") adheres to the environmental principle of "green and energy-saving, pollution prevention, commitment to clean and efficient," as it is dedicated to delivering world-class, full-lifecycle clean energy solutions. With a strong focus on reducing reliance on traditional fossil fuels and actively contributing to the reduction of greenhouse gas emissions, Sungrow aims to drive the green transition of the global energy structure and foster sustainable development in collaboration with its partners. The Environmental Management Policy (hereinafter referred to as "this Policy") has been formulated to establish standardized principles, requirements, and practices for the Company's environmental management.

This Policy applies to Sungrow Power Supply Co., Ltd. and its subsidiaries, covering the Company's production and business operations, products and services, transportation and distribution, waste management, due diligence, mergers and acquisitions, etc. The Company also requires its suppliers, service providers, contractors, and other major business partners to comply with this Policy or equivalent regulations and standards.

Develop a Robust Environmental Management System

Sungrow strictly complies with applicable environmental laws and regulations, including but not limited to the *Environmental Protection Law of the People's Republic of China, Atmospheric Pollution Prevention and Control Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Law of the People's Republic of China on Noise Pollution Prevention and Control, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, Law of the People's Republic of China on Environmental Impact Assessment,* and other local laws and regulations in the jurisdictions where the Company operates, to fully implement environmental compliance requirements.

The Board's Strategy and Sustainability Committee (a Board-level committee) serves as the highest decision-making body, responsible for governance and supervision of environmental matters, monitoring and evaluating environmental performance indicators, and assuming ultimate accountability for the implementation and effectiveness of environmental initiatives. The ESG Development Center's EHS Management Department acts as the central coordinating body to guide and supervise the comprehensive implementation of environmental initiatives across all business units and subsidiaries.

The Company is committed to fully integrating environmental policies into its corporate governance and development strategy. It has established key regulations such as the *Environmental Management Policy, Pollutant Environmental Protection Regulations, Resource Conservation Management Guidelines,* and *Management Regulations for Non-Value and Obsolete Materials,* embedding environmental management as a core component of its sustainability.

The Company is committed to promoting the coverage and continuous improvement of its Environmental Management System (EMS). The EMS encompasses all production and operational sites and is certified under the ISO 14001:2015 standard.

Internal and external EMS audits are conducted regularly. An independent external audit is carried out at all production and operational sites at least once every three years. Identified issues are reported and assigned to the responsible departments for rectification and closure, with follow-up actions incorporated into key areas of supervision, aiming to drive continuous improvement in environmental performance.

Consolidate the Commitment to Environmental Certifications

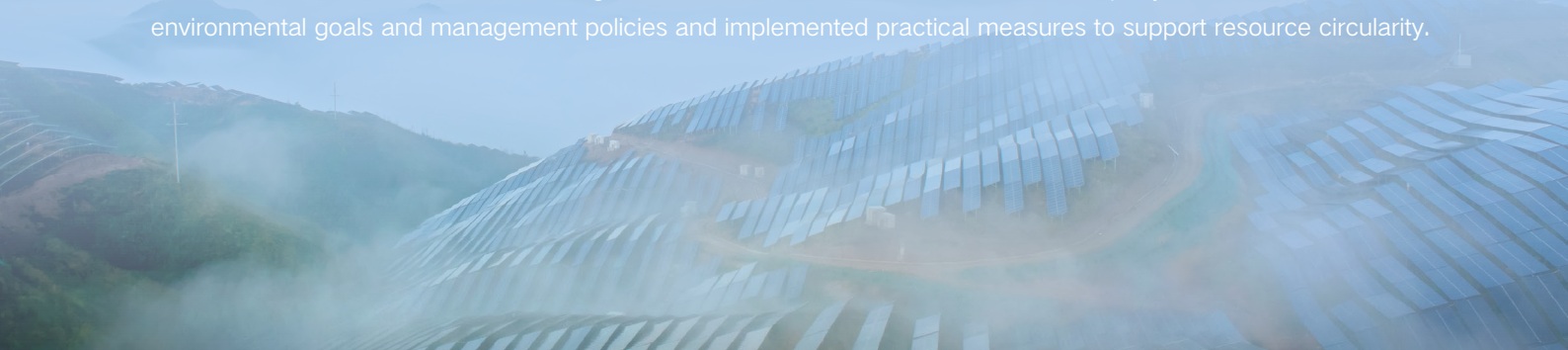
Sungrow is committed to the continuous advancement and enhancement of environmental management system certifications, including but not limited to the following areas:

- **Core Environmental Management Certifications:** Maintain and continuously improve the ISO 14001:2015 Environmental Management System, promote internationally recognized standards for greenhouse gas accounting and verification, and implement Environmental Product Declarations (EPD) certifications.
- **Specialized Environmental Management Certifications:** Advance the certification of Energy Management System to enhance energy efficiency, and pursue certification related to product carbon footprint.
- **Comprehensive Sustainability Certifications:** Participate in the major international sustainability rating schemes to continuously improve performance in environmental management domain, and support supply chain partners in obtaining responsible sourcing certifications such as Green Supply Chain labels, with the goal of minimizing environmental impacts across the value chain.

Bolster Environmental Management Initiatives

Sungrow is committed to minimizing its environmental footprint—including impacts related to air, water, industrial noise, soil pollution, and waste disposal—through effective prevention and mitigation measures. By reducing energy consumption, improving water use efficiency, lowering noise levels, etc., the Company strives to reduce emissions of hazardous substances and waste, while promoting the sustainable use of resources.

The Company is committed to reducing the potential impacts of hazardous substance emissions and waste on the environment and human health, striving for zero environmental incidents. The Company has established clear environmental goals and management policies and implemented practical measures to support resource circularity.



Hazardous Substances

- **Targets:** By 2025, reduce particulate matter (PM) emissions per unit of product by 75% and volatile organic compounds (VOC) emissions per unit of product by 30%, compared to 2020 levels.

- **Strategic Initiatives:** The Company places particular focus on production processes with high VOC emission intensity, especially at operational sites with significant environmental impact. Across all production facilities, measures such as source substitution and optimization of treatment systems are implemented to reduce air emissions. The EHS Department works closely with production teams to ensure strict compliance with emission control standards, while actively identifying opportunities to reduce or eliminate hazardous chemicals. These efforts contribute to the optimization of industrial processes and the reduction of VOC emissions during production.

Water Resources

- **Targets:** By 2025, reduce water consumption per unit of product by 40% compared to 2020 levels.

- **Strategic Initiatives:** In the planning and design of new facilities, the Company gives full consideration to the efficient use of water resources by incorporating water-saving architectural designs and production processes to reduce water consumption at the source. A long-term goal of achieving zero wastewater discharge has been established and is being progressively pursued through technological upgrades and process improvements aimed at enhancing wastewater treatment efficiency and reuse rates, thereby minimizing effluent discharge. Regular maintenance and inspections are carried out on water-saving facilities to ensure their proper functioning and high efficiency. Damaged equipment is promptly repaired to prevent water waste. The Company also actively adopts advanced water-saving technologies and equipment—such as water recycling systems and rainwater harvesting systems—in both facility design and operations to reduce the consumption of freshwater resources.

Waste

- **Targets:** By 2025 achieve a 70% recycling rate for non-hazardous waste, and ensure 100% compliant disposal rate for hazardous waste.

- **Strategic Initiatives:** By investing in innovative technologies and optimizing process workflows—including source reduction and improved end-of-pipe recycling efficiency—waste generation is minimized and the residual value of waste is enhanced, thereby improving overall resource utilization efficiency. It is committed to ensuring transparency in waste management processes and strengthening the concept of circular economy by implementing continuous improvement initiatives and rigorous environmental protection measures to drive environmental sustainability. A comprehensive hazardous waste management system has been established, ensuring that hazardous waste is collected, labeled, stored, and legally disposed of by qualified third parties in strict accordance with national environmental regulations. Full traceability and zero leakage are maintained throughout the entire disposal process.

Industrial Noise

- **Targets:** Reduce noise impact generated during production and operations.

- **Strategic Initiatives:** To address potential high-noise activities such as equipment operation, logistics, and production processes, the Company adopts a range of noise mitigation measures, including the selection of low-noise equipment, optimization of process workflows, and installation of soundproofing and noise-reduction devices to reduce the intensity of noise sources. Regular noise monitoring is conducted to ensure continuous compliance with relevant regulatory standards, effectively preventing noise-related disturbances and occupational health risks.

Regular environmental education and training are provided to all employees to enhance their knowledge of environmental protection. The training covers a wide range of topics, including environmental laws and regulations, the Company's environmental management systems, energy management, water resource use and management, as well as the treatment and reduction of pollutants and waste. Emphasis is placed on energy conservation, efficient water use, and waste minimization, with a focus on promoting source control, process optimization, and resource recycling. These efforts aim to strengthen employees' environmental awareness and operational practices, enabling them to proactively identify and mitigate potential environmental risks in their daily work, thereby preventing and reducing environment-related incidents.

Suppliers, subcontractors, and customers are encouraged to adopt international environmental standards and fulfil their environmental responsibilities.

Environmental performance is regularly identified, assessed, and managed through the establishment of specific, measurable targets aimed at reducing environmental impact. Progress is continuously monitored and evaluated to ensure the effectiveness of environmental management practices. The Company is committed to disclosing environmental data in accordance with international standards and supporting third-party verification.

Provide Green and Low-Carbon Products

Product life cycle assessments (LCAs) are conducted to support the provision of green and low-carbon products. A commitment has been made to progressively disclose transparent and digitalized environmental impact information, such as Environmental Product Declarations (EPDs) or other types of eco-labels.

LCAs are integrated throughout the entire process of developing new products and solutions, covering key stages including design, production, usage, and end-of-life management. The aim is to systematically reduce the negative sustainability impacts associated with raw materials and products.

In the design phase, priority is given to environmentally friendly, renewable, and recyclable materials. Product structures are optimized to improve material efficiency, and low-pollution, low-energy materials are gradually adopted as substitutes for certain raw materials and packaging, without compromising product performance. The use of materials sourced from globally or nationally significant biodiversity areas is avoided to minimize ecological disruption.

In the production phase, the proportion of third-party verified sustainable materials is continuously increased. Suppliers are encouraged to adopt higher standards for material sourcing and manufacturing practices, thereby improving the overall compliance and environmental performance of raw material management. Collaboration with external stakeholders is pursued to explore alternative sustainable materials and best practices, promoting green synergy across the value chain.

Efforts are made to gradually increase the use of recyclable materials in product and packaging design. Suppliers are engaged to jointly explore substitution solutions. Based on the realities of the supply chain, phased targets will be set to raise the share of recyclable materials, supporting resource circularity and carbon footprint reduction from the source.

A closed-loop recovery mechanism is being gradually established for products that are removable, remanufacturable, reusable, or recyclable—particularly battery products and their components. The coverage of recovery programs, associated revenue, and/or cost savings will be disclosed to support the development of a resource-efficient circular economy.

Optimize Sustainable Raw Material Management

A robust supplier management system is in place to assess and manage the sustainability of raw materials. Supplier evaluation mechanisms incorporating ESG factors have been developed to assess compliance, traceability, and environmental and social risks of purchased materials. These assessments serve as key references for identifying high-risk raw materials and determining priority management areas.

Efforts to enhance supply chain transparency are ongoing, with traceability incorporated as a core element of responsible sourcing. Source information of critical raw materials and components is progressively collected through supplier classification, material origin declarations, and compliance document reviews—particularly for high-risk categories and materials subject to strict regulatory requirements, such as electronic components, metals, and battery-related materials.

To mitigate negative environmental and social impacts associated with raw material extraction and processing, suppliers are encouraged to optimize sourcing practices, adopt cleaner production technologies, reduce energy consumption and pollutant emissions, and manage risks related to labor, human rights, and biodiversity.

Suppliers are guided to prioritize the use of third-party certified sustainable materials. The feasibility of aligning with industry best practices is continuously assessed, and the adoption of certified materials is considered a key factor in supplier evaluation and selection.

Further efforts are planned to enhance the visibility of raw material origins, including the development of traceability mechanisms for high-risk materials. Advanced tools such as industry standards and blockchain technology will be explored to promote supply chain transparency from procurement to final product delivery. Suppliers will be encouraged to improve upstream management and disclosure capabilities, contributing to a traceable and verifiable responsible supply chain.

Strictly Control Hazardous Substances

Stringent management of hazardous substances in products is actively implemented, in response to international regulatory requirements such as RoHS and REACH. Continuous efforts are made to identify, substitute, and phase out hazardous substances. Internal control mechanisms and substance lists have been established, supported by raw material declarations, compliance monitoring, and third-party certifications to ensure regulatory compliance.

Dedicated R&D resources and budgets are allocated for researching alternatives to key hazardous substances. Low-risk substitute materials or processes are explored, provided they maintain product safety and performance.

Progress in hazardous substance substitution and elimination is disclosed on a regular basis, providing stakeholders with transparent insights into performance and challenges in hazardous substance management.

Industry trends and policy developments are closely monitored. Partnerships with professional organizations and industry platforms are actively considered to support the systemic substitution and governance of hazardous substances.

Actively Respond to Climate Change

A commitment is made to support the Paris Agreement's goal of limiting the global average temperature increase to 1.5 °C. All financial investments that contribute to the expansion of fossil fuels, as well as any revenue derived from such activities, are to be ceased. A climate transition plan has been developed and publicly disclosed, actively advancing low-carbon development and aiming to achieve carbon neutrality and net-zero emissions.

By referencing international standards such as IFRS S2, Sungrow has established a systematic process for managing climate-related risks and opportunities, encompassing identification, assessment, prioritization, and ongoing monitoring. This approach enhances organizational resilience to climate-related risks while uncovering potential value and opportunities within the business. Key components include:

- **Governance:** The Board of Directors has defined oversight responsibilities for climate-related risks and opportunities, while climate accountability has been embedded within the Company's Management's functions, supported by performance evaluation and incentive mechanisms.

- **Strategy:** The Company conducts structured climate scenario analyses to quantify the potential impact of climate-related risks and opportunities on business continuity, asset value, and financial performance. Climate-related risks and opportunities are explicitly integrated into the Company's strategic planning and major investment decision-making processes.

- **Impacts, Risks, and Opportunities Management:** An integrated climate-related risk and opportunity management framework has been developed, addressing both physical, transition risks, and opportunities. Tailored risk and opportunity mitigation measures and contingency plans are developed and implemented across the value chain, with regular reviews to assess the effectiveness of response strategies.

- **Metrics and Targets:** The Company continuously improves the accuracy of its carbon accounting and discloses Scope 1, Scope 2, and Scope 3 greenhouse gas emissions, along with progress toward reduction targets at various levels. Science-based resilience indicators are provided, and climate-related capital expenditures and investments are transparently reported.

The Company has set targets for carbon neutrality and net-zero emissions. These goals are pursued through measures such as process optimization, energy efficiency improvements, the adoption of clean energy, and engagement with the supply chain to drive emissions reduction. The specific targets are as follows:

- **By 2028:** Achieve operational carbon neutrality (Scope 1 + 2); reduce absolute emissions from Scope 1 + 2 by 70% from 2023 levels.

- **By 2038:** Achieve supply chain carbon neutrality (Scope 1 + 2 + 3).

- **By 2048:** Achieve supply chain net-zero (Scope 1 + 2 + 3).

The Company actively joins climate-related initiatives to enhance its climate governance and contribute to global decarbonization efforts.

Fulfill Responsibilities for Nature Conservation

Recognizing the critical role of biodiversity in sustainability, Sungrow has made a corporate-level commitment to biodiversity conservation. The Strategy and Sustainability Committee, as the highest governing body, holds responsibility for decision-making and oversight of the Company's biodiversity commitments and related actions.

The Company regularly identifies and assesses biodiversity-related risks across its value chain to determine the priority of conservation actions. The Biodiversity Protection Policy has been established that applies not only to the Company's own operations, but also to its suppliers, business partners, and other entities across the value chain.

Review and Update

Sungrow is committed to conducting a comprehensive review of the Environmental Management Policy at least once a year. This review process covers this Policy's legality, appropriateness, effectiveness, and alignment with the Company's current operations and future strategic direction. In addition, special reviews will be promptly initiated in response to significant regulatory changes, the adoption of new technologies, or adjustments in business models, to ensure timely updates and continued applicability of this Policy.

Information Disclosure

This Policy shall be communicated comprehensively to all employees through the Company's internal information network. All employees are required to fully understand and strictly comply with the provisions. Regular training sessions will be conducted to enhance employees' understanding and implementation of this Policy, thereby ensuring its effective execution.

Upon review and approval by the Company's Strategy and Sustainability Committee, this Policy shall be implemented across all global production and operational sites.

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